GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:287
ANSWERED ON:10.08.2015
Import/Acquisition of Aircraft
Pradhan Shri Nagendra Kumar;Satav Shri Rajeev Shankarrao

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the details of the guidelines and norms for import/acquisition of aircraft for air transport services and for grant of initial No Objection Certificate in this regard;

(b) whether the Ministry has found any difficulty/bottleneck and other infirmity in the import/acquisition of aircraft and if so, the details thereof;

(c) whether the Government is considering to do away with the prior approval requirement for the import of aircraft and if so, the details thereof along with the reasons therefor;

(d) whether the Government has taken up the matter with the Ministry of Commerce and Industry and the Reserve Bank of India, if so, the details thereof and their response thereto; and

(e) the other steps taken by the Government to improve business conditions in the domestic aviation sector?

Answer

Minister of CIVIL AVIATION

(Shri Ashok Gajapathi Raju Pusapati)

(a) to (e) A statement is laid on the table of the House.

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STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN REPLY TO STARRED QUESTION NO. 287 DATED 10.8.2015 REGARDING IMPORT/ACQUISITION OF AIRCRAFT

(a) The requirement for permission to import/acquisition of aircraft are laid down in Civil Aviation Requirement Section 3 Air Transport Service "C" Part XI Issue 1 dated 7th August, 2014. For grant of initial "NOC" to operate Air Transport Service the guidelines are contained in CAR Section 3 Series "C" Part II/IV & VII for scheduled air transport services and in part III for non-scheduled air transport services which are available on Directorate General of Civil Aviation"s(DGCA) website www.dgca.nic.in

(b) : No Madam. However, Government from time to time takes steps to remove the hindrance/bottlenecks to promote and facilitate aviation sector.

(c) and (d): As per the existing procedure, an NOC is required to be issued by the Ministry of Civil Aviation before any Scheduled / Regional Scheduled airline can import an aircraft. As a step forward, towards simplification of procedures, Ministry of Civil Aviation has requested Directorate General of Foreign Trade, Ministry of Commerce & Industry for amending their Notification no.2/2006 dated 07.04.2006 and Reserve Bank of India to amend their Master Circular dated 01.07.2015 on Import of Goods and Services by removing the requirement of approval of the Ministry of Civil Aviation for import of Aircraft.

(e) The major steps taken to improve business conditions are as under:-
(i) Dissolution of Aircraft Acquisition Committee vide Order dated 25.3.2013.
(ii) The issue of rationalization of Value Added Tax (VAT) on Aviation Turbine Fuel (ATF), has been taken up with the State Governments.
(iii) Director General of Foreign Trade has allowed direct import of ATF by airlines on actual user basis.
(iv) Foreign airlines have been allowed to invest in the equity of domestic carriers up to 49 percent.
(v) External Commercial Borrowings (ECB) upto $ USD 1 billion has been permitted for the airlines to meet their working capital requirement.

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